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Decision

Matter of: Lockheed Martin Corporation

File: B-411365.2

Date: August 26, 2015

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DIGEST

1. Protest that agency failed to conduct meaningful discussions that treated offerors equally is denied where the agency led the offerors into the general areas of their proposals requiring amplification or revision, and tailored the discussions to concerns specific to each offeror's technical proposal.
2. Protest challenging an agency's technical evaluation and best value determination is denied where the record demonstrates that the evaluations and tradeoff decision were reasonable and consistent with the terms of the solicitation.
3. Protest that an agency failed to enforce page limitation in evaluating the awardee's proposal is denied where the protester's proposal exceeded the page limit in the same way it alleged the awardee's did; the requirement was similarly waived for all offerors; and the protester has shown no reasonable possibility of prejudice.

DECISION

Lockheed Martin Corporation, of Colorado Springs, Colorado, protests the award of a contract to Raytheon Technical Services Company, LLC, of Reston, Virginia, under request for proposals (RFP) No. FA8723-14-R-0002, issued by the Department of the Air Force for operations and support for warning and attack assessment of air, missile and space threats under the North American Aerospace Defense Command Cheyenne Mountain Complex–Integrated Tactical Warning/Attack Assessment and (NCCM-ITW/AA) Space Support Contract (NISSC).¹ Lockheed argues that the agency’s evaluation of offerors’ proposals, including its conduct of discussions and the resulting award decision, were improper.

We deny the protest.

BACKGROUND

The RFP, issued on March 5, 2014, contemplated award of a single indefinite-delivery/indefinite-quantity (IDIQ) contract with a ceiling price of \$700 million, and described seven initial task and delivery orders that might be issued, in addition to other task or delivery orders that could be issued throughout a base year and four option years.² RFP, § L, at 10. In general terms, the contractor was to provide services to support the NCCM-ITW/AA and Space Support Contract-covered systems. Id., § M, at 5. The contractor was also to provide for ongoing sustainment, technology refresh work, and operations and support for specific NCCM-ITW/AA and legacy space systems. Id.

¹ The NCCM-ITW/AA program provides ITW/AA authorities with warning and attack assessment of air, missile, and space threats. AR, Tab 33, First Source Selection Decision Document (SSDD) at 1. Within the program, the NCCM-ITW/AA system provides combatant commanders command and control information, capabilities and tools to support air, space, and missile warning missions located at Cheyenne Mountain Air Force Station, Peterson Air Force Base, Offutt Air Force Base, Vandenberg Air Force Base, and forward user and sensor sites worldwide. Id. Lockheed has been the incumbent contractor under the predecessor Integrated Space Command and Control (ISC2) contract for the past 15 years. Protest at 5. The ISC2 contract contains many of the same requirements and customers as the NISSC contract. Id.

² The RFP provides for numerous types of contract line item numbers (CLIN), including fixed-price, fixed-price plus incentive fees, cost plus fixed-fee, cost plus incentive fees, and cost-reimbursement CLINs. RFP, § B, at 2-17.

The RFP established that contract award was to be made on a best value basis, with an integrated assessment of the following three evaluation factors, in descending order of importance: technical; past performance; and cost/price. RFP, § M, at 7. The technical factor was to be evaluated under the following three equally-important subfactors: sustainment activities; systems engineering/projects; and small business participation. The sustainment activities technical subfactor contained eight focus areas, each of which was evaluated. As relevant here, one of these areas was operations, maintenance, and support. Under this focus area, the agency was to evaluate an offeror's approach and understanding of the requirements for providing operations, maintenance, and support services to meet the requirements in the performance work statement (PWS), "to include the offeror's approach for reducing recurring costs year to year." RFP, § M, at 10. The non-cost factors, when combined, were significantly more important than cost. Id.

Proposals were to be submitted as separate technical, past performance and cost/price volumes. RFP, § L, at 16-18. The RFP provided very detailed and specific instructions with respect to how the technical volume was to be prepared, directing offerors to describe their proposed approach for meeting the RFP requirements and the actual methodology they would use to address the criteria of the technical subfactors. Id. at 23. Section L of the RFP also informed offerors that the technical volume should be specific and complete, and established a page limit of 115 pages for the technical proposal. Id. Further, the RFP stated that the agency's evaluators would read and consider only the pages within the specified maximum, and would not consider any pages in excess of that number. Id. at 19.

The RFP also provided extensive instructions for how the cost volume should be prepared. As relevant here, offers were required to include a "basis of estimate" (BOE) detailing the basis, rationale, estimating methodology and historical data used to derive the proposed labor and material estimates to support the proposed costs, based on the work identified in the offeror's approach. RFP § L, at 45. The supporting information was to provide sufficient detail and clarity to enable the agency to perform a cost realism assessment.³ The RFP did not establish any page limit for the BOE or cost proposal.

Lockheed, the incumbent contractor, and Raytheon submitted proposals by the May 5, 2014 closing date. Agency Report (AR) at 8. An agency source selection evaluation board (SSEB) evaluated offerors' non-cost proposals using the adjectival

³ For cost realism, the RFP states that the cost will include an evaluation of the extent to which proposed costs are sufficient for the work to be performed, are reflective of a clear understanding of the requirements, reflect a sound approach to satisfying the requirements, are consistent with the unique methods of performance and materials described in the offeror's technical proposal, and reflect reasonable labor escalation and indirect factors. RFP, § M, at 20, citing FAR § 15.404-1(d)(1).

rating schemes set forth in the RFP. Technical proposals were rated on the subfactor level as outstanding, good, acceptable, marginal, or unacceptable.⁴ AR, Tab 33, First Source Selection Decision Document SSDD, at 3. The RFP provided that risk would be assessed and rated as high, moderate, or low. Id. at 3-4. Past performance was to be assessed for recency and relevance, and given a confidence rating. Id. at 9-10.

The SSEB conducted initial evaluations and, as relevant here, found Lockheed's technical proposal to be unacceptable with a high technical risk rating. AR, Tab 37d, Updated Proposal Analysis Report (PAR), at 32-34.⁵ In reaching this assessment, the SSEB detailed 20 deficiencies, seven significant weaknesses, and 20 weaknesses under the sustainment activities subfactor; as well as nine deficiencies, eight significant weaknesses and four weaknesses under the systems engineering/projects subfactor. Id. at 34, 170.

After initial evaluations, the agency conducted two rounds of discussions with the offerors in the form of written evaluation notices (ENs).⁶ CO Statement at 9-10. After each round, the offerors submitted responses to the ENs and proposal change pages. AR, Tab 12c, Lockheed ENs and Responses; Tab 13, Lockheed 1st Set of Proposal Changes; Tab 14, Lockheed 2nd Set of Proposal Changes; Tab 15c Raytheon ENs and Responses; Tab 16, Raytheon 1st Set of Proposal Changes; Tab 17, Raytheon 2nd Set of Proposal Changes.

After the second round of discussions, the SSEB performed an interim evaluation of the proposals and the submitted changes. This evaluation found Lockheed's technical proposal was still unacceptable with high risk for the sustainment activities subfactor.⁷ AR, Tab 37d, Updated PAR, at 54-55. The SSEB explained that two

⁴ As relevant here, the RFP described a good rating as reflecting a proposal that met requirements and indicated a thorough approach and understanding of the requirements with at least one strength and no deficiencies. An acceptable rating reflected a proposal that met the requirements and indicated an adequate approach and understanding of the requirements, without any strengths or weaknesses. RFP, § M, ¶ 2.2.1, Table 1, at 8.

⁵ The Updated PAR is the final PAR prepared by the SSEB. It contains full descriptions of the initial evaluations, interim evaluations, final evaluations, and evaluations after corrective action. Therefore, all citations to any of the evaluation results will be to the Updated PAR.

⁶ The agency issued a total of 82 ENs to Lockheed and 62 ENs to Raytheon. See AR, Tab 24b, Lockheed Pre-FPR Eval. Brief, at 26; Tab 25b, Raytheon Pre-FPR Eval. Brief, at 26.

⁷ The evaluation for the systems engineering/projects subfactor, however, was changed to acceptable with moderate risk. AR, Tab 37d, Updated PAR, at 184-85.

significant weaknesses and two weaknesses remained that caused the agency to still consider the proposal to present a high level of risk. Id. at 55. As relevant here, one of the significant weaknesses reflected the SSEB's conclusion that Lockheed had failed to address the inconsistencies between its proposed technical approach for reducing labor hours and the resources proposed to execute the approach in its BOEs.⁸ Similarly, one of the weaknesses concerned Lockheed's proposed hours for spares analysis, related to insufficient level of spares.⁹

The SSEB briefed the source selection authority (SSA), who approved requesting final proposal revisions (FPRs).¹⁰ Id. at 10, 55. Both offerors submitted their FPRs on December 11, 2014. AR at 11.

The SSEB made final evaluations and provided them to the SSA on March 19, 2015. AR at 11. For the sustainment activities subfactor, the SSEB noted that Lockheed had fixed a number of the issues addressed in discussions, and assigned it an acceptable rating. AR, Tab 37d, Updated PAR, at 133. However, the SSEB stated that Lockheed's proposal presented a moderate risk because the protester still had not reconciled its technical approach for reducing labor hours with the resources proposed in its BOEs, and continued to propose insufficient hours for spares analysis. Id. at 135. The final evaluation results were as follows:

⁸ The SSEB noted that Lockheed had failed to demonstrate in the BOEs that its proposed resources were adequate, appropriately allocated and linked to its technical approach. AR, Tab 37d, Updated PAR, at 55.

⁹ The RFP required contractors to operate an inventory control point to provide spare parts for covered systems, and also manage the levels of available spares to ensure that these systems met performance requirements. RFP, Sustainment Activities Performance Work Statement, at 186-87. As a part of managing levels of available spares, a contractor was required to perform and update sparing analyses to determine and maintain appropriate levels, locations, and distribution methods of spares for each piece of installed equipment. Id. at 187.

¹⁰ The agency's request for FPRs, sent to each offeror, included a copy of the interim evaluation of that offeror's proposal as an attachment. See, e.g., AR, Tab 24b, Lockheed Pre-FPR Eval. Brief.

		Lockheed	Raytheon
Technical			
	Sustainment Activities	Acceptable/ Moderate Risk	Good/ Low Risk
	Systems Eng'g/Projects	Acceptable/ Moderate Risk	Good/ Low Risk
	Small Business Participation	Acceptable	Acceptable
Past Performance		Substantial Confidence	Substantial Confidence
Evaluated Cost		\$178,327,983	\$199,676,069

AR, Tab 33, First SSDD, at 13-32.

Discussions Concerning Unexplained Hours Reductions in BOEs

As relevant here, one of the first-round ENs prepared for Lockheed was OFA-TECH1-066 (“EN 66”).¹¹ AR, Tab 12c, Lockheed ENs and Responses, at 235. EN 66 related to the agency’s concern that Lockheed had not explained certain hours reductions in its BOEs. *Id.* This EN stated that the protester had proposed reductions in hours “throughout its proposal based on scope reductions, ‘right sizing’ and . . . ‘efficiencies,’” but had not provided adequate information for the agency to be able to evaluate the reductions. *Id.* This EN further asked Lockheed to explain (1) how the reductions were consistent with its proposed approach documented in its technical volume; and (2) why the reductions would not result in degradations in performance, disruption of schedule, or increased costs. *Id.* at 236. The agency also requested that Lockheed provide the link between the reductions identified in its initial and revised proposals, so that the agency could trace the reductions to particular BOEs throughout the proposal. *Id.*

Lockheed responded that it understood the need for such clarification, and provided additional information, noting that it had updated its BOEs. AR, Tab 12c, Lockheed ENs and Responses, at 238-44. Upon review of Lockheed’s submission, the agency determined that the issues had not been resolved. The Air Force conducted a second round of discussions. Of relevance here is a new EN, 66a, in which the agency informed Lockheed that the issue had not been resolved because the information Lockheed presented in its response to EN 66 was largely the

¹¹ All ENs referenced in this protest decision begin with the prefix “OFA-TECH1,” so we will not repeat it.

information already contained in the technical volume, which did not clarify or substantiate the reduction in hours in the updated BOEs. Id. at 248. The new EN also noted that Lockheed had not provided the requested link between the initial and revised proposals. Finally, in EN 66a, the agency included some examples of disconnects concerning hours reductions between the technical proposal and the BOEs.¹² The agency specifically stated that these were just a few examples, and were not exhaustive. Id.

The protester responded on September 19, 2014, noting again that it understood the need for justifying its staffing levels and for the government to be able to trace estimates between the initial and revised proposals. Id. at 249. The response then listed key improvements in its revised BOEs related to the specific examples provided by the agency. Id. at 249-56. The agency concluded that although Lockheed had provided additional justification concerning the specific examples given by the government, it still had not adequately responded to all of the agency's concerns. Id. In its request for FPRs, the agency notified Lockheed that its proposal still contained a significant weakness in the sustainment activities technical subfactor. AR, Tab 24a, Lockheed FPR Letter, at 1. The agency included a copy of its interim evaluation briefing report with the letter requesting Lockheed's FPR. AR, Tab 24b, Lockheed Pre-FPR Eval. Brief. This interim evaluation noted that Lockheed's proposal for this technical subfactor was still considered to be unacceptable and a high risk. Id. at 50. Lockheed timely submitted its FPR on December 11, 2014. Tab 26, Lockheed FPR.

In its FPR, Lockheed addressed the specific examples given by the agency, but again failed to provide any explanations for the hours reductions in other relevant BOEs. The SSEB ultimately assigned Lockheed's proposal an acceptable rating for the sustainment activities technical subfactor; however, it determined that this aspect of the proposal represented a moderate risk, in part because it considered Lockheed's failure to address the unexplained reduction in hours to be a significant weakness. Id. at 134-35.

¹² For example, the agency noted that for a particular BOE, Lockheed used the contract data from the previously-performed ISC2 contract to propose work of 254 hours, although under the ISC2 contract the same work was performed in 318 hours. Then, the protester applied a 10 percent "right size" staffing reduction attributed to cross-training of responsibilities, but did not provide any rationale for how the resulting 223 hours of staff time under the protester's approach would perform the 254 hours of work required. AR, Tab 12c, Lockheed ENs and Responses, at 248.

Discussions Concerning Spares Analysis

In its initial proposal Lockheed submitted a BOE that proposed a 60 percent reduction in hours for sparing analyses, based upon its plan to relocate all of the facilities for storing spares to a single government facility. AR, Tab 7k, Lockheed Initial Cost/Price Proposal, BOEs, at 74-75, 164, 279, 487, 586, 689. The protester did not provide any other information to support its calculation of a 60 percent reduction. The agency issued EN 53, stating that Lockheed's approach was identified as a deficiency because it depended on the use of a government facility that was not available. AR, Tab 12c, Lockheed ENs and Responses, EN 53, at 183. Lockheed responded that it would instead maintain the current storage location at Lockheed's facility. Id. at 184.

In its first set of proposal changes, Lockheed stated that its reduction in hours to perform sparing analyses would now be 69 percent. AR, Tab 13c, Lockheed 1st Set of Proposal Changes, BOEs, at 347, 429, 562, 775, 885, 992. Lockheed did not explain this larger reduction, except to note that by using certain tools and techniques Lockheed could significantly reduce the number of items stocked that required such analysis. Id. Lockheed further stated that it would stock only "high-failure" items. Id.

The agency issued EN 74, noting that Lockheed had not provided any justification for the anticipated 69 percent hours reduction for sparing analysis. AR, Tab 12c, Lockheed ENs and Responses, EN 74, at 290. The agency also expressed concern that Lockheed did not intend to keep sufficient spares in stock. Id. at 291. The agency reiterated this concern in the interim evaluation briefing report attached to Lockheed's Pre-FPR letter, noting that Lockheed's proposal to stock only "high-failure items" would increase the risk of required spares being unavailable to support the mission. AR, Tab 24b, Lockheed Pre-FPR Eval. Brief, at 43.

The only change in Lockheed's FPR with regard to this issue was that it provided a smaller sparing analysis hours reduction--now 40 percent--without further explanation. AR, Tab 26k, Lockheed Cost/Price FPR, BOEs, at 121, 212, 344, 575, 679, 781. The SSEB found Lockheed's FPR presented a risk of unsuccessful performance due to the likelihood that Lockheed's proposed number of spares would be insufficient. AR, Tab 37d, Updated PAR, at 135. The SSA agreed with the SSEB's assessment and found that the weakness constituted a risk rather than a failure to meet a material requirement. AR, Tab 33 First SSDD, at 17.¹³

¹³ This assessment did not change in the updated SSDD, referenced below. AR, Tab 37h, Updated SSDD, at 17.

The Award Decision and Corrective Action

The SSA prepared the SSDD, which provided evaluation narratives of each proposal addressing each technical factor, past performance, and cost/price, concurring with the SSEB's conclusions and ratings. AR, Tab 33, First SSDD, at 13-28. In the SSDD, the SSA performed a best value tradeoff, determining that Raytheon's more highly-rated and higher-priced proposal provided the best value to the government. Id. at 29.

On March 30, 2015, the agency notified offerors that it had awarded the contract to Raytheon. After a debriefing,¹⁴ Lockheed protested the agency's source selection decision. On April 20, the agency provided notice that it was taking corrective action in response to Lockheed's protest by reevaluating proposals and making a new source selection decision. Protest, exh. A. Based on the agency's announced corrective action, our Office dismissed the protest as academic. See Lockheed Martin Corporation, B-411365, April 14, 2015.

The agency performed another evaluation, developed the updated PAR, which included evaluations after the corrective action, and issued a new SSDD. AR, Tab 37h, Updated SSDD. In the corrective action reevaluation, the SSA states that he was mindful of the allegations in Lockheed's earlier protest and considered the SSEB's reevaluation of the two proposals with respect to the sustainment activities subfactor. Id. at 13-14. After reviewing the proposals, the reevaluation record, and the prior SSDD, he concluded that there should be no change to the final evaluation. The SSA again selected Raytheon's proposal as presenting the best value. On May 8, the agency announced its selection decision. On May 18, after the agency provided Lockheed with a debriefing, Lockheed filed its current protest.

DISCUSSION

Lockheed's protest challenges many aspects of the agency's reevaluation and source selection decision, arguing that the corrective action failed to correct errors Lockheed had alleged previously.¹⁵ Although we do not address each of the

¹⁴ Lockheed acknowledges that a substantial portion of the debriefing repeated the same concerns the agency had expressed in EN 66a, and notes that the first SSDD specifically found that Lockheed's proposal still lacked the explanations sought in EN 66a "in multiple areas." Protest at 15, citing AR, Tab 33, First SSDD, at 18.

¹⁵ In its protest, Lockheed originally argued that the agency failed to evaluate employee compensation plans in its cost realism assessment, and failed to properly assess both the protester's and the awardee's past performance in its best value determination. Protest at 35-47, 38-39. The protester subsequently withdrew this ground of protest.

protester's arguments, we have reviewed them all and find that none provides a basis for sustaining the protest. We discuss representative examples of Lockheed's challenges below: Lockheed claims that the agency did not conduct meaningful discussions; improperly evaluated Lockheed's technical proposal; and treated Lockheed disparately from Raytheon. We also address the protester's allegation that the agency's evaluation of Raytheon's technical proposal improperly relied on information submitted in Raytheon's cost proposal, allowing Raytheon to circumvent the RFP's page limit requirement for technical proposals.

Discussions

Lockheed argues that the agency conducted inadequate and misleading discussions, preventing the protester from responding to the full scope of the agency's concerns. Protest at 24. As discussed above, the agency identified a significant weakness in Lockheed's proposal, based on Lockheed's failure to provide any explanation for many of its reductions in labor hours in its BOEs.

By the protester's account, the Air Force identified a limited number of BOEs as the basis for the significant weakness, without making clear that they were only examples intended to illustrate a pervasive weakness throughout Lockheed's technical proposal. Protest at 24-25. The agency's position, in contrast, is essentially that it issued both specific and general ENs, and expressly identified issues that applied to numerous BOEs in Lockheed's proposal, which should have alerted Lockheed to the widespread nature of these weaknesses. The agency also notes that Lockheed indicated, at the time, that it understood that it needed to address all of the affected BOEs. Supp. AR at 10-11.

Agencies have broad discretion to determine the content and extent of discussions, and we limit our review of the agency's judgments in this area to a determination of whether they are reasonable. InfoPro, Inc., B-408642.2, B-408642.3, Dec. 23, 2014, 2015 CPD ¶ 59 at 9. When an agency engages in discussions with an offeror, the discussions must be meaningful, that is, sufficiently detailed so as to lead an offeror into the areas of its proposal requiring amplification or revision in a manner to materially enhance the offeror's potential for receiving the award. FAR § 15.306(d); Cubic Simulation Sys., Inc., B-410006, B-410006.2, Oct. 8, 2014, 2014 CPD ¶ 299 at 12. The requirement that discussions be meaningful, however, does not obligate an agency to spoon-feed an offeror or to discuss every area where the proposal could be improved. FAR § 15.306(d)(3); Insignia-Spectrum, LLC, B-406963.2, Sept. 19, 2012, 2012 CPD ¶ 304 at 5. The degree of specificity required in conducting discussions is not constant and is primarily a matter for the procuring agency to determine. Kathpal Technologies, Inc., B-291637.2, April 10, 2003, 2003 CPD ¶ 69 at 3. To satisfy the requirement for meaningful discussions, an agency need only lead an offeror into the areas of its proposal requiring amplification or revision. CEdge Software Consultants LLC, B-408203, July 19, 2013, 2013 CPD ¶ 177 at 7.

The record here indicates that in discussions with Lockheed, the agency repeatedly raised its concern about numerous reductions in hours throughout Lockheed's proposal that were based generally on "right sizing" and "efficiencies," without any explanation for how Lockheed's approach supported these reductions. AR, Tab 12c, Lockheed ENs and Responses, at 235 (EN 66), 247 (EN 66a). The fact that the agency only provided a few examples did not obviate the need for Lockheed to address these issues wherever they occurred in its proposal. In our view, the agency reasonably informed Lockheed that it considered these problems to be present in Lockheed's proposal wherever reductions in hours were not sufficiently explained, and thereby adequately led Lockheed into the areas of its proposal requiring revision. Id. We find that Lockheed exercised its own business judgment in deciding to address only those specific examples given by the agency in its second round of discussions. It is an offeror's responsibility to submit a proposal that responds to, and demonstrates a clear understanding of, the solicitation requirements; where an offeror fails to do so, the offeror runs the risk that the agency will evaluate its proposal unfavorably. Equa Solutions, Inc., B-409848.2, B-409848.3, Nov. 20, 2014, 2014 CPD ¶ 354 at 10. We deny Lockheed's protest that discussions were misleading and not meaningful.

With respect to Lockheed's related contention that the agency conducted more meaningful and detailed discussions with Raytheon, the protester is correct in asserting that offerors may not be treated unequally; that is, offerors must be afforded equal opportunities to address the portions of their proposals that require revision, explanation, or amplification. Unisys Corp., B-406326 et al., Apr. 18, 2012, 2012 CPD ¶ 153 at 7. However, the requirement for equal treatment does not mean that discussions with offerors must, or should, be identical. To the contrary, discussions must be tailored to each offeror's own proposal. FAR §§ 15.306(d)(1), (e)(1); Metro. Interpreters & Translators, Inc., B-403912.4 et al., May 31, 2011, 2012 CPD ¶ 130 at 7.

Here, we find that the agency did not treat the protester and the awardee disparately with respect to discussions. Although Lockheed contends that only Raytheon received detailed ENs, the record indicates that both the protester and the awardee received ENs that were, in some cases, very detailed, with high levels of direction, and others that were not so detailed, depending on the nature of the issue raised. See, e.g., AR, Tab 12c, Lockheed ENs and Responses; Tab 15c, Raytheon ENs and Responses. We deny this aspect of Lockheed's protest.

Technical Evaluations

Lockheed raises multiple challenges to the agency's evaluation of its and Raytheon's technical proposals. For example, in addition to the significant weakness for unexplained hours, above, the protester challenges an assessed

weakness based on the protester's proposed labor hours for sparing analysis. Protest at 19-24, 25-26.

The evaluation of an offeror's proposal is a matter within the agency's discretion. ManTech SRS Techs., Inc., B-408452, B-408452.2, Sept. 24, 2013, 2013 CPD ¶ 249 at 7. In reviewing a protest against an agency's evaluation of proposals, our Office will not reevaluate proposals but instead will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable procurement statutes and regulations. See Shumaker Trucking & Excavating Contractors, Inc., B-290732, Sept. 25, 2002, 2002 CPD ¶ 169 at 3. In this regard, a protester's disagreement with the agency's judgments does not render an evaluation unreasonable. See, e.g., METAG Insaat Ticaret A.S., B-401844, Dec. 4, 2009, 2010 CPD ¶ 86 at 4.

As with the significant weakness discussed above, the agency raised the issue of labor hours for sparing analysis when it conducted discussions, issuing multiple ENs, and provided Lockheed with its initial and interim evaluations before FPRs were submitted. In each instance, Lockheed failed to heed the concerns expressed by the agency. Based upon our review of the record and our findings concerning discussions, we find no basis to question the reasonableness of the agency's assignment of a significant weakness and weakness in Lockheed's proposal for these respective issues.

Lockheed also contends that the agency evaluated Lockheed's and Raytheon's technical proposals disparately in its assessment of strengths. For example, Lockheed challenges the Air Force's identification of strengths in the two proposals under the sustainment activities and systems engineering/projects technical subfactors, and contends that the agency unreasonably disregarded all but one of the areas that the protester had identified in its proposal as meeting the RFP definition of strength.¹⁶ Protest at 27.

The agency asserts that while Lockheed identified what it believed to be strengths in its own proposal, the RFP specifically provided that the "[t]he Government reserves the right to disagree with the offeror's suggested 'strengths' and is under no obligation to accept the offeror's suggestions." RFP, § L, at 23.

Here, the record indicates that the agency provided lengthy narratives in the PAR discussing both Lockheed's and Raytheon's proposals concerning these two

¹⁶ The RFP adopts a definition of strength found in chapter 5 of the Department of Defense (DoD) Source Selection Procedures: "[a]n aspect of an offeror's proposal that has merit or exceeds specified performance or capability requirements in a way that will be advantageous to the Government during the contract performance." RFP § M, at 8; DoD Source Selection Procedures, Chapter 5, at 26.

technical subfactors. AR, Tab 37d, Updated PAR, at 133-170 (Sustainment Activities), 216-237 (Systems Engineering/Projects) (Lockheed); 463-86 (Sustainment Activities), 530-583 (Systems Engineering/Projects) (Raytheon). In each instance, the agency provided reasons for finding that Lockheed's approach met the requirements, but did not represent a strength. For example, the record shows that both Lockheed and Raytheon self-identified a strength in their own proposals with respect to NISSC-covered systems' technical baseline requirements, but only Raytheon's proposal was assigned a strength for its approach.

The agency describes, in some detail, the specific ways Raytheon's approach exceeded the requirement, such as [deleted]. AR at 101. The Air Force also lists eight specific ways Raytheon's approach would benefit the agency, noting also that Raytheon's BOE showed the appropriate resourcing to support its approach. Id. at 101-104. In contrast, regarding Lockheed's proposal, while the agency recognized that Lockheed proposed a unique approach, it found that this approach would not exceed specified performance requirements. Id. at 105. While Lockheed continues to disagree with the agency's evaluation conclusions in this regard, it has not shown that its own proposal offered the same type of strengths as Raytheon's proposal, that the agency unreasonably overlooked such strengths, or that the agency's evaluation was unequal.

Similarly, the agency noted its reasons for finding other strengths in Raytheon's proposal where the agency concluded that the proposal exceeded requirements. Id. We find no basis to question the reasonableness of the agency's findings. The fact that Lockheed disagrees with the agency's judgment does not provide a valid basis for us to sustain the protest.

RFP Page Limitations

Lockheed asserts that the agency's evaluation of Raytheon's technical approach under the operations, maintenance, and support technical focus area of the sustainment activities technical subfactor violated the RFP's explicit provisions regarding page limitations. Accordingly, the protester contends that Raytheon was afforded an unfair competitive advantage. Supp. Protest at 32-35. We disagree.

As noted above, offerors were required to submit proposals as separate technical, past performance and cost/price volumes. RFP, § L, at 16-18. The technical volumes were to address an offeror's proposed approach for meeting the RFP requirements, the actual methodology the offeror would use to address the criteria of the technical subfactors, and were limited to 115 pages. Id. at 23. Also as noted above, the BOEs were part of the cost proposals, and were to describe the rationale used to derive proposed labor and materials estimates based upon the offeror's proposed technical approach, so that the agency could conduct a cost realism assessment. RFP, § L, at 45. Lockheed and Raytheon submitted cost proposals

with 1,151 and 661 BOE pages, respectively. AR, Tab 26k, Lockheed Cost/Price FPR; Tab 27k Raytheon Cost/Price FPR.

Both Lockheed and Raytheon complied with the technical proposal page limit. However, the protester contends that Raytheon included technical approaches in its cost/price proposal, and that the agency improperly considered them in its evaluation of Raytheon's technical proposal, thereby allowing Raytheon to circumvent the RFP's page limits.

It is a fundamental principle of government procurement that competition must be based on an equal basis; that is, offerors must be treated equally and be provided with a common basis for the preparation of their proposals. An agency may waive compliance with a material solicitation requirement in awarding a contract only if the award will meet the agency's actual needs without prejudice to other offerors. Safety-Kleen (TS), Inc., B-284125, Feb. 23, 2000, 2000 CPD ¶ 30 at 2-3. Competitive prejudice is an essential element of a viable protest; and where the protester fails to demonstrate that, but for the agency's actions, it would have had a substantial chance of receiving the award, there is no basis for finding prejudice, and our Office will not sustain the protest. See, e.g., SunGard Data Systems, Inc., B-410025, Oct. 10, 2014, 2014 CPD ¶ 304 at 7-8. Unfair competitive prejudice from a waiver or relaxation of the terms and conditions of the RFP for one offeror exists where the protester would have altered its proposal to its competitive advantage had it been given the opportunity to respond to the altered requirements. Vocus Inc., B-402391, Mar. 25, 2010, 2010 CPD ¶ 80 at 6.

Here, the record reflects that Lockheed also included a great deal of information related to its technical approach in its cost proposal, and that the agency's evaluation of both Lockheed's and Raytheon's technical approaches for this focus area relied almost exclusively on information contained in the offerors' respective cost proposals. AR, Tab 37d, Updated PAR, at 145-46 (Lockheed); at 474-78 (Raytheon). As regards Lockheed, the PAR states, in multiple paragraphs, that the agency evaluated Lockheed's approach based on the contents of particular BOEs. Id. at 145-47. For Raytheon, the agency specifically cites sections of Raytheon's cost volume. Id. at 474-78. Since the agency appears to have waived the page limit restriction for both offerors, we have no basis to conclude that Lockheed was prejudiced by the agency's actions, and we find no basis to sustain the protest on this ground.

Best Value Determination

Lockheed also objects to the agency's best value selection decision. This objection relies on Lockheed's protest allegations concerning errors in the evaluations, the SSA's reliance on inaccurate or incomplete information, and SSA conclusions that conflict with the record. Protest at 54-57; Supp Protest at 37-40. Since our review

of the record indicated that the agency's evaluation of proposals was reasonable, we find no merit in the protester's first two objections.

Nor do we find merit in Lockheed's argument that the SSA's conclusions conflict with the evaluation record. The protester bases this argument on selectively quoting phrases in both the updated PAR and updated SSDD. In one example, Lockheed contends that the SSEB's cost realism assessment found Lockheed's proposed labor hours and skill mix were consistent with Lockheed's approach, yet the SSA concluded that Lockheed's proposal failed to demonstrate its proposed resources were consistent with its proposed approach. Supp. Protest at 55. The protester completely ignores the detailed narratives surrounding these statements.

For example, the SSEB specifically notes in the PAR that, while it considered the number of labor hours Lockheed proposed to be sufficient, the proposal still failed to resolve the significant weakness that many of its BOEs did not demonstrate that its resources were appropriately allocated and linked to the technical approach. AR, Tab 37d, Updated PAR, at 297-98. Accordingly, the SSEB stated that, while it considered Lockheed's proposal acceptable, it found there to be a moderate risk because of this failure. *Id.* at 217. The record indicates that the SSA's best value decision tracks the SSEB's reasoning and concurs with both the technical and technical risk ratings. We find no basis to sustain the protest on this protest ground.

The protest is denied.

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